



North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services
3001 Mail Service Center • Raleigh, North Carolina 27699-3001
Tel 919-733-7011 • Fax 919-508-0951

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary


Michael Moseley, Director

February 12, 2007

MEMORANDUM

To: Legislative Oversight Committee Members
Commission for MH/DD/SAS
Consumer/Family Advisory Committee Chairs
State Consumer Family Advisory Committee Chair
Advocacy Organizations and Groups
NC Association of County Commissioners
County Managers
County Board Chairs
North Carolina Council of Community Programs
NC Association of Directors of DSS

State Facility Directors
Local Management Entity Directors
Local Management Entity Board Chairs
DHHS Division Directors
Provider Organizations
MH/DD/SAS Professional Organizations and Groups
MH/DD/SAS Stakeholder Organizations and Groups
Other MH/DD/SAS Stakeholders

From: Mike Moseley 

Re: Communication Bulletin #69
Housing Initiatives



One of the most critical components to achieving the goal of consumers being able to live in communities of their choice is ensuring an adequate supply of decent, safe and affordable housing for persons with mental illness, developmental disabilities and/or substance abuse disorders. Expanding the availability of affordable housing for our consumers is as important to achieving a community based system as is expanding access to other services.

Over the past 20 years we have worked in NC to increase the availability of affordable housing for our consumers. We have focused on developing new housing units and increasing our consumers' access to generic housing resources. Our successful strategies have included:

- Creation of a dedicated Housing Coordinator in the Division and providing funding for 20 Housing Specialist positions in Local Management Entities (LMEs) throughout the state.
- Public-private partnerships between the Division and nonprofits, such as the Mental Health Association in North Carolina and the ARC, which provide housing for more than 1,300 persons with mental illness, developmental disabilities and/or substance use disorders.
- Investment of \$1 million from the Mental Health Trust Fund combined with \$2 million from the North Carolina Housing Finance Agency (NCHFA) to create a project-based rental assistance demonstration program, the Key Program, to serve persons with disabilities living in rental units built through NCHFA's Low Income Tax Credit Program.
- Building on the partnership between the Division and NCHFA, in July 2006, the North Carolina General Assembly created a new endeavor called the **Housing 400 Initiative**. This initiative is

designed to increase the supply of “independent and supportive living apartments for persons with disabilities” that are affordable to persons with incomes at the level of Supplemental Security Income

(SSI). To make this goal a reality, \$10,937,500 was appropriated to NCHFA for the development of rental housing and \$1,205,000 was appropriated to DHHS to provide rental assistance for 400 of the units financed by NCHFA under the initiative. The capital funds are available through two programs: the Housing 400 Initiative Supportive Housing Development Program (SHDP 400) and the Housing 400 Initiative Preservation Loan Program (PLP 400).

In order to maximize the opportunities these initiatives represent, it is critically important that all Housing Specialist positions be actively engaged and dedicated solely to housing activities. We are concerned that some of the Housing Specialists are being assigned non-housing duties. Assigning Housing Specialists non-housing tasks inhibits their ability to effectively help our consumers’ access decent, safe and affordable housing. Much of the success of the Key Program is attributable to the Housing Specialists assisting Key Program staff. A vital role that the Housing Specialists should be playing is to represent the LME as the lead agency on local Housing Support Committees. In this role the Housing Specialists can make sure that, in addition to affordable housing, the tenants have the support and services they need. The continued success of the Key Program as well as the future success of the Housing 400 Initiative greatly depends on the Housing Specialists being able to focus 100% of their efforts on housing.

Attached is a list of LME Housing Coordination Activities and overview of the Key Program, the Housing 400 Initiative Supportive Housing Development Program (SHDP 400), and the Housing 400 Initiative Preservation Loan Program (PLP 400).

Thank you for your support of these housing programs. If you have questions, please contact Glenn Silver at glenn.silver@ncmail.net or at 919-715-2774.

cc: Secretary Carmen Hooker Odom
Dr. Allen Dobson
Dan Stewart
DMH/DD/SAS Executive Leadership Team
DMH/DD/SAS Staff
Sharnese Ransome
Wayne Williams
Kaye Holder
Kory Goldsmith
Andrea Russo-Poole

LME Housing Coordination Activities

Serve as Lead Agency in Key Program local Housing Support Committees/Referral Networks to ensure DMH/DD/SAS tenants have the support services they need in addition to the affordable housing.

Serve as lead agency in Housing 400 Initiative (funded by General Assembly this fiscal year) local Housing Support Committees/Referral Networks to ensure DMH/DD/SAS tenants access the affordable housing and support services they need.

Actively participate in local Continuum of Care (U.S. Department of Housing and Urban Development housing programs that provide units for DMH/DD/SAS consumers who are homeless) to ensure DMH/DD/SAS consumers access Continuum of Care housing units.

Develop and annually update a Strategic Housing Plan that includes an inventory of local, existing housing for DMH/DD/SAS consumers; the housing needs of DMH/DD/SAS consumers; strategies for filling the gap between existing housing and housing needs; barriers to implementing those strategies; and means for assessing implementation of the Strategic Housing Plan.

Send a representative to the four annual meetings of Housing Specialists that are offered by the DMH/DD/SAS Housing Coordinator.

Educate consumers, families and service providers on accessing and maintaining affordable housing regarding the N.C. Landlord-Tenant and Fair Housing laws and negotiating reasonable accommodations.

Develop a positive working relationship with local public housing authorities and HUD Section 8 administering agencies to improve access and increase the supply of these resources.

Establish partnerships with other, local, affordable housing and MH/DD/SAS advocates.

Develop and maintain an internal wait list for consumer referrals to housing resources that have referral relationships with the LME.

Work with other agencies to identify and secure housing and support service funding opportunities from private, city/county, state, and federal sources.

The Key Program

In Fall 2005, the first rental assistance payments from the NC Department of Health and Human Services (DHHS) and North Carolina Housing Finance Agency's (NCHFA) Key Program were made. The Key Program provides rental assistance for person with disabilities in targeted Low-Income Housing Tax Credit (LIHTC) units that were funded in 2004, 2005, and 2006. Although rents in the LIHTC properties are below market rates, without rental assistance they remain out of reach to the majority of persons with serious disabilities that live on disability income, often less than \$600 per month.

Jointly funded by NCHFA's HOME Match funds and the Mental Health Trust Fund, the Key Program is conservatively estimated to make approximately 700 rental units affordable for 10 years. Eligible applicants are adults with long-term disabilities who are receiving income based upon their disability (SSI, SSDI, etc.). Total household income cannot exceed 30% of the area median income, and the minimum income is \$300 per month. To maximize the availability of this resource, recipients will be required, where possible, to apply for permanent rental assistance under the federal Housing Choice Voucher Program (Section 8).

The administration of the Key Program is a collaborative effort of DHHS Housing Support Coordinators, who work in local communities to establish housing support committees for the collective referral of tenants to occupy the rental units; NCHFA staff that processes the rental support payments; and local human service agencies that assist DHHS staff maintaining the committees. The specific role that some of the DMH/DD/SAS Housing Specialists play is to serve as the lead agency in the local housing support committee and make sure the tenants have the support services they need in addition to the affordable housing.

The three DHHS Housing Support Coordinators are funded by a CMS Real Choice Systems Change Grant, and each is working with the Housing Specialists in three regions of the state – Western, Central, and Eastern. In Fall 2005, the first Key Program units were occupied and, to date, 134 open Key units are occupied. As more units eligible for Key Assistance begin leasing in the coming months, this collaboration will attain its goal of providing much needed rental assistance for persons with disabilities.

For additional information about the Key Program please contact:

Tara A. Peele, MSW, MRP
Housing Support Coordinator
NC DHHS - Office of the Secretary
tara.peele@ncmail.net
Phone: 919.733.4534
Fax: 919.715.4645
2001 Mail Service Center
Raleigh, NC 27699-2001

Kay Johnson, MSW
Regional Housing Support Coordinator
(Western Region)
NC DHHS - Office of the Secretary
Phone: 704-619-6716
Fax: 704-553-1974
Kay.R.Johnson@ncmail.net

Walter Vincent
Regional Housing Support Coordinator
(Eastern Region)
NC DHHS - Office of the Secretary
Phone: (910) 620-0467
walter.vincent@ncmail.net

The Housing 400 Initiative

In July 2006, the North Carolina General Assembly created a new endeavor called the *Housing 400 Initiative*. This Initiative is designed to increase the supply of “independent and supportive living apartments for persons with disabilities” that are affordable to persons with incomes at the level of Supplemental Security Income (SSI). To make this goal a reality, \$10,937,500 was allocated to the North Carolina Housing Finance Agency (NCHFA) for the development of rental housing and \$1,205,000 was allocated to the North Carolina Department of Health and Human Services (DHHS) to provide rental assistance for 400 of the units financed by NCHFA under the Initiative. The capital funds are available through two programs:

The Housing 400 Initiative Supportive Housing Development Program (SHDP 400)

This program will provide loans of up to \$1.2 million for acquisition, acquisition/ rehabilitation or acquisition/new construction of supportive rental housing. Loans will have a 0% interest rate and can be deferred. Eligible applicants are non-profit and for-profit corporations and units of local government. All applicants must have three year’s recent experience in developing affordable or supportive housing or be part of a development team with a member who has experience in developing affordable or supportive housing. NCHFA can also make predevelopment and construction financing available, on a case-by-case basis, to qualifying projects under SHDP 400.

A Letter of Intent is requested by November 15, 2006 from those who plan to apply for SHDP 400.

Applications are available and must be submitted no later than February 28, 2007.

The Housing 400 Initiative Preservation Loan Program (PLP 400)

This program will provide loans of up to \$1 million for the rehabilitation of rental properties that already have some form of state or federal housing subsidy. The permanent loan will have an interest rate up to 2% with the loan term and payments based on the financial resources of the property. A minimum of 10% or 5 units must be targeted to persons with disabilities. The owner will enter into a “Memorandum of Understanding” with a local service agency to coordinate referrals and supportive services for persons with disabilities. The owner must submit a Targeting Plan for outreach and service coordination that will be reviewed and approved by DHHS.

DHHS plans to make the operating subsidy/rental assistance available through these three programs:

The SHDP 400 Program described above.

The PLP 400 Program described above.

The existing KEY Program, that provides rental assistance to eligible Targeting Plan Units in new apartments developed through NCHFA’s Low Income Housing Tax Credit (LIHTC) Program.

APPLICATION FORMS FOR THE SHDP400 AND PLP400 PROGRAMS ARE AVAILABLE AT:

<http://www.nchfa.com/About/housing400.aspx>

For more information about SHDP 400, please contact NCHFA Supportive Housing Program Staff:

Mary Recca Todd · (919) 877-5672 · mrtodd@nchfa.com

Michael H. Mittenzwei · (919) 877-5654 · mmittenzwei@nchfa.com

Candace H. Stowell · (919) 877-5633 · chstowell@nchfa.com

For more information about PLP 400 or Targeting Plan Units in the LIHTC Program, please contact NCHFA Rental Development Staff:

Scott Farmer · (919) 877-5641 · bsfarmer@nchfa.com

Mark Shelburne · (919) 877-5645 · mshelburne@nchfa.com